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FOR: THE TOBACCO INSTITUTE, INC.

FOR IMMEDIATE RELEASE

SAVINGS TO GOVERNMENT RESULTS FROM ELIMINATION OF TOBACCO TAX STAMPS

The government has saved at least $5,000,000 during the first year of collecting federal excise taxes on cigarettes and other tobacco products without revenue stamps, according to the current issue of TOBACCO NEWS.

Principal saving was in the cost of printing and handling the stamps. The new tax return system was adopted in June 1959, after being urged for years by the tobacco industry.

Charles J. Mouhtouris, chief of the Tobacco Tax Branch, Internal Revenue Service, is quoted as saying the changeover has been so successful that he thinks further significant savings are possible from other plans under study to eliminate some of the "mountains of paper work" involved in administration of tobacco taxes.

Other stories in the current TOBACCO NEWS, published by The Tobacco Institute, Inc., include:

1. More than 2,000 blind merchants now successfully operate vending stands in which cigarettes and other tobacco products make up the bulk of sales. In 1959 these stands earned a net profit of $6.5 million for the blind operators.

2. More states are writing their cigarette excise tax laws to permit individuals to deduct taxes they pay on tobacco products from their federal income tax returns. Alabama and Louisiana recently joined 15 other states in this move.

Good idea

3. Tobacco was "a sort of economic shoehorn which eased America into power and wealth," says a special review of the new illustrated book, TOBACCO AND AMERICANS, by Robert K. Heimann, just published by McGraw-Hill Book Company.

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